



2010

FAIR LABOR ASSOCIATION INDEPENDENT EXTERNAL MONITORING REPORT

COMPANY: H&M Hennes & Mauritz AB

COUNTRY: Turkey

FACTORY CODE: 4400761019I

MONITOR: Alpay Celikel

AUDIT DATE: July 8 – 9, 2010

PRODUCTS: Woven Trousers, Shorts, Skirts,
Jackets, Blouses (for women)

PROCESSES: Cutting, Sewing, Finishing,
Warehousing

NUMBER OF WORKERS: 421



CONTENTS:

Wages, Benefits and Overtime Compensation: Holidays, Leave, Legal Benefits and Bonuses	3
Wages, Benefits and Overtime Compensation: General Compliance Wages, Benefits and Overtime Compensation	4
Wages, Benefits and Overtime Compensation: Payment for All Hours Worked	5
Wages, Benefits and Overtime Compensation: Other - Wages, Benefits and Overtime Compensation	7
Freedom of Association: Employer Interference/Constitution, Elections, Administration, Activities and Programs	8
Harassment or Abuse: Discipline/Verbal Abuse.....	9
Child Labor: Legal Compliance (Apprenticeships and Vocational Training).....	11
Code Awareness:.....	12
Code Awareness:.....	13
Code Awareness:.....	14
Health and Safety: General Compliance Health and Safety	15
Health and Safety: Permits and Certificates	17
Health and Safety: Ventilation/Electrical/Facility Installation and Maintenance	18
Health and Safety: Machinery Maintenance and Worker Training	19
Health and Safety: Medical Facilities	20
Health and Safety: Sanitation in Factory Facilities	21
Health and Safety: Food Preparation	22
Health and Safety: Drinking Water.....	23
Hours of Work: General Compliance Hours of Work	24
Hours of Work: Protected Workers (Women and Young Workers).....	26
Hours of Work: Annual Leave.....	28
Hours of Work: Annual Leave/Determination	29

Wages, Benefits and Overtime Compensation: Holidays, Leave, Legal Benefits and Bonuses

WBOT.5 Employers shall provide all legally mandated holidays, leave, benefits and bonuses, such as official holidays, annual leave, sick leave, severance payments and 13th month payments, to all eligible workers within legally defined time periods. In addition, all leave and bonuses shall be calculated correctly. (S)

Noncompliance

Explanation: Day care service (crèche) was not provided.

Legal Reference: Regulation About Working Conditions of Pregnant and Breast-feeding Workers, Article: 15, dd 14.07.2004, Official Gazette No: 25522

Plan Of Action: H&M requires the factories to comply with the legal requirement about day care service. As the number of women workers in this factory is over 150, we re-informed the factory that they shall provide a day care service. We informed them that they may either establish a day care center within the factory, or subcontract the day care service. We encouraged the supplier to do more detailed research in order to solve this issue.

Deadline Date: 12/31/2014

Supplier CAP: Most of the workers are living together with their families and feel safer if their children are taken care of by the family. There was no demand up to now regarding the day care service. At the moment, we do not have a suitable place to establish a day care center in the factory, and we could not find yet a private day care center from which we can subcontract this service. Moreover, factory's economic situation does not allow us to take quick action on this. We will continue researching and will reconsider this situation if conditions change.

Supplier CAP Date: 12/31/2014

Action Taken: October 17, 2012 H&M audit: We have been informed that factory is still searching a proper day care in the city; however, no day care available in the city yet. The closest one is placed in another city.

Plan Complete: No

Plan
Complete
Date:

Wages, Benefits and Overtime Compensation: General Compliance Wages, Benefits and Overtime Compensation

WBOT.1 Employers shall comply with all local laws, regulations and procedures concerning the payment of wages and benefits, including overtime compensation. In any case where laws and the FLA Code are contradictory, the standard that provides the greatest protection for workers shall apply. Where provisions are lacking, employers shall take measures to reasonably accommodate matters concerning the payments of wages and benefits, including overtime compensation. (S)

Noncompliance

Explanation: OT compensation is not registered in the Social Security Administration records.

Legal Reference: Social Security and General Health Insurance Law 5510

Plan Of Action: H&M requires the supplier and inside subcontractor to follow local law as well as the requirements in the H&M Code of Conduct (COC). We had a meeting with the supplier and factory and firstly reminded them of the labor law and H&M requirement regarding this finding. Then, we discussed root causes to be able to take the proper actions to make the factory show all payments correctly. Since this finding is a kind of cost-related issue, we required the supplier to analyze the current situation first in terms of cost. We will consider the analyzed results together with the supplier and factory and will make a plan to show all payments correctly. H&M will guide the supplier and factory to reduce the cost by supporting them with the proper projects such as decreasing OT hours, etc.

Deadline Date: 12/05/2013

Supplier CAP: We have made an analysis about registering overtime hours and detected that it would increase our company's overtime cost 39.5%, which is a cost we cannot meet at the moment. In order to be able to register all overtime hours, our first goal is to decrease the overtime hours. For this purpose, we already started to work on efficiency, work study, and planning; for 2012, the average overtime hours of the busiest month is 48 hours. We will continue working on the overtime project together with H&M.

Supplier 12/05/2013
CAP Date:

Action October 17, 2012 H&M audit: We have seen that the factory has started registering some
Taken: part of the overtime hours (up to 15 hours per month per worker).

Plan No
Complete:

Plan
Complete
Date:

Wages, Benefits and Overtime Compensation: Payment for All Hours Worked

WBOT.7 Workers shall be paid for all hours worked in a workweek. Calculation of hours worked must include all time that the employer allows or requires the worker to work. (S)

Noncompliance

Explanation: Some employees are working during the break hours whenever they make mistakes or fall behind their operations.

Legal Reference: Labor Law 4857 Article: 63-68

Plan Of H&M requires the supplier and factory to follow local law as well as the requirements in
Action: the H&M COC. Overtime work should always be properly compensated. All workers should be entitled to and receive overtime compensation according to labor law. There shouldn't be any work in break times. If there is any repair work, this should be considered as overtime and compensated as per law. We encourage the supplier to prepare a sustainable action plan to prevent workers from working on their break times when workers make mistakes or fall behind their operations.

Deadline 12/31/2011
Date:

Supplier CAP: Working at lunchtime is completely workers' preference. There was no coercion or persuasion from the management (usually in repairing). There is no reason for them to work at lunchtime. This issue will be told to them in general meetings and, if necessary, the power supply will be shut down to avoid unnecessary work at lunchtime. Process control personnel should work more effectively to minimize the need to repair. No additional work will be assigned to process control personnel.

Supplier CAP Date: 12/31/2011

Action Taken: October 17, 2012 H&M audit: We checked this issue and did not see any worker working during the break hours.

Plan Complete: No

Plan Complete Date:

Wages, Benefits and Overtime Compensation: Other - Wages, Benefits and Overtime Compensation

Other

Noncompliance

Explanation: Workers have not received their performance bonus payments from April and May 2010.

Plan Of Action: H&M requires the factories to follow the local labor law about wage payment. We re-informed the factory about the legal requirement that the payment should be completed within 20 days following the completion of the working month, according to the Turkish Labor Law. We encouraged the factory to pay performance bonuses to the workers on time. We will follow this up during follow-up audits.

Deadline Date:

Supplier CAP: Performance bonuses were delayed shortly due to a procedural reason. All of it has been paid and management has decided to pay it, at the latest, until the 25th of the coming month to avoid recurrence.

Supplier CAP Date:

Action Taken: October 17, 2012 H&M audit: We have seen that there was no late payment.

Plan Complete: No

Plan Complete Date:



Freedom of Association: Employer Interference/Constitution, Elections, Administration, Activities and Programs

FOA.5 Employers shall not interfere with the right of workers to draw up their constitutions and rules, to elect their representatives in full freedom, to organize their administration and activities and to formulate their programs. (S)

Noncompliance

Explanation: Although there are elected worker representatives, workers do not consider this representation system effective enough.

Plan Of Action: H&M encourages the factory to develop and maintain functioning communication channels between workers and management. We require that the workers are informed about their rights. A communication channel should be built between workers and factory management through worker representatives. Worker representatives should be elected by workers themselves and represent the different sections in the workplace. The factory management should meet the representatives regularly and keep minutes of the meetings to enable a follow up of the discussed topics. Workers will be informed about the actions taken by the factory management.

Deadline Date: 12/31/2013

Supplier CAP: One more person from the finishing section is additionally elected as a worker representative. Now, there are 3 representatives from different working sections. We suggest that representatives should be elected from different sections for a full representation of all the workers. During the regular meetings held in the factory, the employees will encouraged to 1) be in a dialogue with the worker representatives for all kinds of issues and 2) use the suggestion box if they do not want to reveal themselves. There will be monthly meetings held with the worker representatives and, together the complaints and suggestions received from the suggestion box, will be controlled and the action plans will be formed together with the worker representatives and posted regularly.

Supplier CAP Date: 12/31/2013

Action Taken: October 17, 2012 H&M audit: We have conducted management system on dialogue system. We have seen that the factory has been working in order to make the worker representative system more effective, but it does not work properly yet.

Plan Complete: No

Plan Complete Date:

Harassment or Abuse: Discipline/Verbal Abuse

H&A.11 Employers shall not use any form of verbal violence, including screaming, yelling, or the use of threatening, demeaning, or insulting language, as a means to maintain labor discipline. (S)

Noncompliance

Explanation: Management practices do not prevent verbal harassment. Some supervisors are also the shareholders of the factory and they scream, yell, and use insulting language to maintain discipline and to increase the daily production output.

Legal Reference: Labor Law 4857 Article: 24

Plan Of Action: H&M requires the factory to set up a policy against sexual harassment, abusive behavior, forced labor, and discrimination. H&M does not accept any kind of harassment or abuse from the factory against workers. The factory should work on implementing a grievance procedure to ensure any cases of harassment and abuse can be detected immediately and dealt with accordingly.

Deadline Date: 07/01/2013

Supplier CAP: Rarely, there may have been unacceptable attitudes of management toward workers within the factory. All managers will have a monthly meeting regarding behavioral aspects in the factory, will state their self-criticism, and they will decide the policies and their applications. In case a worker is not capable at a certain job, then their deficiency will be told to them privately. This specific worker will be assigned to another job where they can have a chance of better performance. Workers, for whatever the reason, will not be humiliated within the community. If there is harm caused by a worker, a written warning will be given. A survey regarding worker's satisfaction will be conducted and the results will be evaluated. The relationship between workers and management will be improved through a dialogue system and this system will be implemented with meetings held with workers, worker representatives, and the health and security community. Additionally, some sports games will be held between management and workers (pool, volleyball, and recreational room is already available). Excursions, picnics, and musical entertainment will be organized and these will be held regularly.

Supplier CAP Date: 07/01/2013

Action Taken: October 17, 2012 H&M audit: We have seen that this issue is in progress. Meetings and trainings have been conducted together with factory supervisors, in order to explain company policy regarding harsh language. But, on this issue, the factory has done no follow up. We have conducted management system on this issue and encouraged the factory to have a good follow up on this, through a well-working grievance system and other sources.

Plan Complete: No

Plan Complete Date:

Child Labor: Legal Compliance (Apprenticeships and Vocational Training)

CL.10 Employers shall comply with all regulations and requirements of apprentice or vocational education programs, and shall be able to document to monitors that these are legally recognized programs. Informal arrangements of any kind are not acceptable. (P)

Noncompliance

Explanation: There is no schooling provided for apprentices in accordance with related regulation and the number of master trainers employed is insufficient.

Legal References: Vocational and Technical Training Regulation 03.07.2002, Official Gazette No: 24804, Article: 199; Vocational and Technical Training Law 05.06.1986, Official Gazette No: 19139, Article: 12; Vocational and Technical Training Regulation 03.07.2002, Official Gazette No: 24804, Article: 74

Plan Of Action: We require the factory to follow the local laws regarding apprentices. We will encourage the factory to set up policy and procedures on how to meet legal requirements regarding apprentices, including working hours, annual leave conditions, and suitable workstations with a proper number of master trainers and proper and timely physical examinations.

Deadline Date: 12/31/2013

Supplier CAP: There are 68 apprentices in our factory as of today. We have 9 master trainers with the addition of those who received certificates recently. We are planning to employ 100 apprentices in the next term. Even in this case, we have 2 master trainers in excess, so we do not foresee any problems. Those employees who complete the period necessary for apprenticeship will be encouraged to apply for master trainers.

Supplier CAP Date: 12/31/2013

Action Taken: October 17, 2012 H&M audit: Apprentices do not attend the class regularly.

Plan Complete: No

**Plan
Complete
Date:**

Code Awareness:

GEN.1 Establish and articulate clear, written workplace standards. Formally convey those standards to Company factories as well as to licensees, contractors and suppliers.

Noncompliance

Explanation: Although the factory has a general policy covering some of the elements of the H&M COC, no text or any document conveying the principles of H&M was observed in the factory or posted, based on information gathered from management interview and visual observations in the factory.

**Plan Of
Action:** We are requiring our suppliers to incorporate our code (which is aligned with FLA's), applicable laws, internal regulations and our own internal policies, preferably written in worker handbooks. We require them to hold training and education on a regular basis for all employees (due to high staff turnover) and to be in new employees orientation of the workplace. Factory has posted their own COC that covers all elements of H&M COC.

**Deadline
Date:**

**Action
Taken:**

**Plan
Complete:** No

**Plan
Complete
Date:**

Code Awareness:

GEN.2 Ensure that all Company factories as well as contractors and suppliers inform their employees about the workplace standards orally and through the posting of standards in a prominent place (in the local languages spoken by employees and managers) and undertake other efforts to educate employees about the standards on a regular basis.

Noncompliance

Explanation: Workers were unaware of the company's workplace standards and there was no training session held by either the company or factory management in an attempt to raise the awareness of workers.

Plan Of Action: H&M requires that the factories follow the workplace standards and H&S regulations in the local law and H&M COC. The factory is responsible to provide a sufficient number of workers a training to inform them about their legal rights and work-related risks. The training must be in compliance with the related regulations in terms of material, choice of personnel to be trained, equipment, trainer, time, and all other details. In the future, audits and follow-up visits we will check the functioning of this system.

Deadline Date: 01/16/2014

Supplier CAP: As a part of the factory's orientation program, the content of employment contracts, including information about wages; working hours; overtime compensation; leaves and benefits; and termination of employment contract, which are in line with workplace standards, are explained to each worker on their first day in the factory. Employees' signatures are taken afterwards, confirming that they have been explained this and that they understand the content. Moreover, every 6 months, workers are updated about salary increments and any possible changes in labor law, including the provisions on wages, during general meetings held by factory management. Meeting minutes and names of participating workers are recorded after each meeting.

Supplier CAP Date: 01/16/2014

Action Taken: October 17, 2012 H&S audit: We have conducted management system on this issue and observed that the issue is still in progress.

Plan No
Complete:

Plan
Complete
Date:

Code Awareness:

GEN.3 Develop a secure communications channel, in a manner appropriate to the culture and situation, to enable Company employees and employees of contractors and suppliers to report to the Company on noncompliance with the workplace standards, with security that they shall not be punished or prejudiced for doing so.

Noncompliance

Explanation: Although there is an active internal grievance system in place encouraged by H&M, there is no established complaint channel between workers and FLA-member company. During the worker interviews, it was observed that H&M's audit team has not left their telephone number or any other kind of information on communication channels for workers.

Plan Of Action: During our audits and follow-up visits in factories, H&M compliance staff conducts interviews with workers. During these interviews, we hand out our business card with our contact information. The number we provide is a special number for worker complaints, which they can call everyday and any time of the day. We also encourage the interviewed workers to spread our contact information to other workers. Further, we support the factory in building a dialogue system in order to have a system for the workers to put forward their grievances to the management. We will put more emphasis on the communication of this confidential report mechanism during our coming audits.

Deadline Date:

Action Taken:

Plan **No**
Complete:

Plan
Complete
Date:

Health and Safety: General Compliance Health and Safety

H&S.1 Employers shall comply with all local laws, regulations and procedures concerning health and safety. (S)

Noncompliance

Explanation: 1. There are no Health & Safety (H&S) trainings in place.

2. H&S Committee is not active and members are not conducting regular checks on the facility to inspect working conditions such as personal protective equipment (PPE) selection and usage. Topics covered in H&S Committee meetings are too broad and they do not cover most of the H&S topics mentioned at related regulations.

3. Legally required H&S Specialist is missing.

Legal References: Regulation about Health & Safety Trainings of the Employees (Official Gazette No: 25426, 07.04.2004); Labor Law 4857 Article: 80; Regulation About H&S Committees 07.04.2004, Official Gazette No: 25426; Labor Law 4857 Article: 81

Plan Of Action: H&M requires that safety in the factory is maintained according to local law and our COC. H&M encourages the factory to set up and maintain an efficient H&S Committee and to develop an effective control system regarding all H&S conditions in the factory. This committee should be established and work according to law (committee should do regular checks of the H&S conditions in the factories, necessary improvements must be done and monitored by this committee, according to the mentioned H&S topics at related regulation, etc.). Also, an engineer or technician should be employed in this committee according to law.

Deadline 12/31/2012
Date:

Supplier The management decided that the H&S Committee should administer more efficiently.
CAP: To provide this, a mechanical engineer who is authorized for job security, which was missing earlier, has been added to the committee and on 15/07/2010, the committee held their meeting. They decided to complete all the incidents found by FLA (also those not stated in the summary report of FLA will be completed). 3 emergency exit lights in the kitchen have been changed. Gas detectors have been changed and the quantity of them has been increased. A form has been prepared to be used in the regular controls of the fire cabinets and fire hoses monthly. The use of chemicals and the use of PPE to be used while using chemicals will be observed at all times. The company doctor will educate and observe workers regularly and more efficiently regarding worker's health issues. The workers' health and security risk analysis has been prepared in detail with the subdocumentation by the job security specialist on 14.07.2010 and implemented. The developments are being observed continuously. The factory is being ventilated day and night and the dust is being cleaned regularly at the weekend. Necessary illumination is available. Use of PPE is encouraged by regular trainings, observed, and supervised. Fire alarms are controlled once a week and fire extinguishers are controlled for pressure once a month regularly and all controls are being documented.

Supplier 12/31/2012
CAP Date:

Action October 17, 2012 H&M audit: We have seen that H&S Committee is active. Regular
Taken: checks and training activities are conducted according to the decisions in H&S meetings.

Plan No
Complete:

Plan
Complete
Date:

Health and Safety: Permits and Certificates

H&S.8 The employer shall at all times be in possession of all legally required and valid permits and certificates related to health and safety issues, such as those related to the purchase and storage of chemicals, fire safety inspections, inspection of machinery, and (chemical) waste disposal. (P)

Noncompliance

Explanation: The factory does not have a working license.

Legal Reference: Regulation About Working License 04.12.2009 Official Gazette No: 27422

Plan Of Action: H&M requires the factory to ensure that they, at all times, obtain the relevant legal permits and licenses such as wastewater permit, working license, work permit, and other applicable legal documents.

Deadline Date: 12/31/2011

Supplier CAP: The factory is granted with working license number 2010/11 dated July 15, 2010 by the [District name] office of the Ministry of Labor and Social Security.

Supplier CAP Date: 12/31/2011

Action Taken: October 17, 2012 H&M audit: We saw that the working license has been obtained.

Plan Complete: No

Plan Complete Date:

Health and Safety: Ventilation/Electrical/Facility Installation and Maintenance

H&S.17 All necessary ventilation, plumbing, electrical, noise and lighting services shall be installed and maintained to conform to applicable laws and in such a manner as to prevent or minimize hazardous conditions to workers in the facility. (S)

Noncompliance

Explanation: Insulation of the internal parts of some electrical panels is not complete; grounding connections at the covers of the electrical panels are missing.

Legal Reference: Health & Safety Regulation Official Gazette No: 14765, 11.01.1974
Articles 277-315-316

Plan Of Action: H&M requires that the factories follow the H&S regulations in the local law and H&M COC. The factory should make sure that a certified electrician safely and correctly installs grounding connections and electrical installations.

Deadline Date: 12/31/2011

Supplier CAP: All grounding connections are completed. An electric technician controls all electric systems and by the job security specialist and all necessary precautions are taken at all points where a risk is observed.

Supplier CAP Date: 12/31/2011

Action Taken: October 17, 2012 H&M audit: We have seen that grounding test has been conducted and the result is okay.

Plan Complete: No

Plan Complete Date:

Health and Safety: Machinery Maintenance and Worker Training

H&S.18 All production machinery, equipment and tools shall be regularly maintained and properly guarded. Workers shall receive training in the proper use and safe operation of machinery, equipment and tools they use. Employers shall ensure safety instructions are either displayed/posted near all machinery or are readily accessible to the workers. (S)

Noncompliance

Explanation: Finger protectors on most of the sewing machines are missing or not used by the employees. Note that there have been 13 recorded work accidents related to this issue in the last 6 months.

Legal References: Labor Law 4857 Article: 77, Personal Protective Equipment Regulation 09.02.2004, Regulation About Usage of Personal Protective Equipment Within the Workplaces 11.02.2004 Official Gazette No: 25370

Plan Of Action: A safe and healthy working environment should be a priority at all times. H&M requires the factory to develop policies and systems to ensure that H&S conditions in the factory always are in line with local law and our COC. We will support the supplier to ensure that relevant production machinery is equipped with proper protective devices and workers are educated on when, how, and why to use PPE and related equipment.

Deadline Date: 06/30/2013

Supplier CAP: We used needle protectors at a sample line and observed that their command of the machines decreased to a high extent, as fingers come too near the sewing foot. Workers will be encouraged to work more attentively. All other PPE will be used continuously. 13 minor accidents caused by needles have been recorded in a factory where 400 machines are working 150 days per year.

Supplier CAP Date: 06/30/2013

Action Taken: October 17, 2012 H&M audit: We observed that the factory is still working on this issue.

Plan Complete: No

Plan
Complete
Date:

Health and Safety: Medical Facilities

H&S.21 Medical facilities shall be established and maintained in factories as required by applicable laws. Medical staff shall be fully licensed and recognized under applicable local rules and regulations. An appropriate number of medical staff shall be on duty during all working hours, including any type of overtime, as required under local law. An appropriate stock of medical supplies shall be maintained at all times. Medicines of which the expiration date has passed must be replaced immediately and disposed of in a safe manner. (P)

Noncompliance

Explanation: There is missing equipment in the health unit (i.e., oxygen tube, computer).

Legal Reference: Workplace H&S Units and Common H&S Units Regulation
15.08.2009, Official Gazette No: 27320

Plan Of Action: H&M requires that safety in the factory is maintained according to local law and our COC. The factory should establish a health unit and all necessary equipment should be available in this health unit according to law.

Deadline Date: 08/31/2010

Supplier CAP: An oxygen tube is provided. On August 12, 2010, a personal computer was given to the nurse for use.

Supplier CAP Date: 08/31/2010

Action Taken: October 17, 2012 H&M audit: We have observed that the facility had provided an oxygen tube for the H&S unit.

Plan **No**
Complete:

Plan
Complete
Date:

Health and Safety: Sanitation in Factory Facilities

H&S.22 All facilities including factory buildings, toilets, canteens, kitchens, and clinics, shall be kept clean and safe and be in compliance with all applicable laws, including relevant sanitation, medical and safety and health regulations. (S)

Noncompliance

Explanation: The conditions of the changing rooms and restrooms need to be improved. (In changing rooms: there are no lockers and benches are not in good condition as they are rusted or broken; in restrooms, some water taps are broken, some flushes are not working and some door handles are rusted).

Legal Reference: Health & Safety Regulation Official Gazette No: 14765, 11.01.1974
Article 38-40

Plan Of Action: H&M requests from suppliers that all safety requirements applicable to the factory workshop also apply to the changing rooms and restrooms. Good hygiene in the changing rooms and restrooms should be maintained for workers' health.

Deadline Date: 03/31/2013

Supplier CAP: We have started the inquiries about personal cupboards for workers. When the inquiries are completed, the purchasing of the cupboards will be made. The shelves are repaired and painted. Rusted door handles are changed. All faucets and flushers that were out of order are repaired. A form has been made where the daily controls will be recorded.

Supplier CAP Date: 03/31/2013

Action Taken: During our follow-up audit on October 17, 2012, we have seen that this issue is in progress. Flushes and water taps were fixed. Hygiene can still be improved.

Plan Complete: No

Plan Complete Date:

Health and Safety: Food Preparation

H&S.25 All food made available to workers shall be prepared, stored, and served in a safe and sanitary manner in accordance with all applicable laws. All workers handling food shall be provided with the tools and equipment necessary to do so in a safe and sanitary manner. (S)

Noncompliance

Explanation: There are insects and birds in the cafeteria and kitchen areas that pose a risk of contamination of food.

Legal References: Labor Law 4857 Article: 77; Health & Safety Regulation Official Gazette No: 14765, 11.01.1974 Article 36

Plan Of Action: H&M requests from suppliers that all safety requirements applicable to the factory workshop also apply to the canteen and dining areas. Good hygiene in the kitchen and canteen should be maintained for workers' health. We asked the supplier to have the windows covered with fly nets, to apply regular insecticide in the factory, and to follow up on the hygiene conditions by assigned personnel.

Deadline Date: 12/31/2011

Supplier CAP: All windows, doors, and other places from where birds and insects could enter were covered with metal fly nets. Necessary insecticide was applied in the factory 4 times during the year 2012.

Supplier 12/31/2011
CAP Date:

Action October 17, 2012 H&M audit: We have not observed any insect or bird in the cafeteria.
Taken:

Plan No
Complete:

Plan
Complete
Date:

Health and Safety: Drinking Water

H&S.26 Safe and clean drinking water shall be freely available at all times, within reasonable distance of the workplace. Drinking water shall be of a reasonable temperature and the means to drink water (cups, etc.) must be safe and sanitary and available in an appropriate number. (S)

Noncompliance

Explanation: The drinking water test sample is not taken from fountains and there is no system for the periodical sanitation of drinking water fountains.

Legal Reference: Health & Safety Regulation Official Gazette No: 14765, 11.01.1974
Article 31-33

Plan Of Ensuring that the workers have free access to clean drinking water is essential in order to
Action: prevent dehydration and exhaustion in hot weather. H&M expects suppliers to provide clean drinking water that is easily available to all workers on all floors in the factory. Proper clean containers should be used for drinking water. Containers and the areas around them should be kept clean at all times. Factory should have a system to follow for the periodic cleanliness of the drinking water containers and fountains.

Deadline 08/18/2010
Date:

Supplier CAP: The water analysis was delayed because the authorized personnel in the district office of the Ministry of Health were on their annual leave. On 18.08.2010, the water test sample was taken from the fountains inside the factory by an environment and society safety specialist of [Lab name] accompanied by the worker representative and management representatives. All fountains are being controlled weekly and all controls are being recorded.

Supplier CAP Date: 08/18/2010

Action Taken: October 17, 2012 H&M audit: We observed that regular drinking water test reports are available and that the reports show that the samples are taken from factory fountains.

Plan Complete: No

Plan Complete Date:

Hours of Work: General Compliance Hours of Work

HOW.1 Employers shall comply with all local laws, regulations and procedures concerning hours of work, public holidays and leave. (S)

Noncompliance

Explanation: Nearly all workers worked more than 60 hours per week in last 3 months (up to 30 hours a week of overtime) and most of them also exceeded the 270 hours yearly legal OT limit within the last 4 months due to the high workload in the last 7 months.

Legal Reference: Labor Law 4857 Article: 41

Plan Of Action: H&M requires that the overtime hours should not exceed the legal limit, and that overtime work is done always voluntarily and compensated according to the local law. All H&M suppliers are encouraged in possible measures for reducing overtime both through our COC Supplier Guideline (guidance on how to implement the H&M COC requirements) and via workshops held by compliance staff. In the short term, we require the factory to ensure that workers are off 1 day per week and work on measures to limit the number of overtime hours on the weekdays. Further, we will make a root cause analysis with the supplier to find the reason for excessive overtime and support the supplier in possible measures to keep overtime within legal limits.

Deadline Date: 12/31/2014

Supplier CAP: There has been excessive overtime work lately as a result of mainly planning mistakes, insufficient work studies, low work performance, and receiving input late. Studies on all related fields have started for decreasing overtime and increasing efficiency. Overtime work is a burden for the factory and it also causes low performance the following day. In the finishing section, where overtime is practiced intensively, this will be handled.

Supplier CAP Date: 12/31/2014

Action Taken: December 17, 2012 H&M audit: We have observed that yearly overtime hours exceed the limit of 270 hours. But the company is a part of an overtime project that is held by H&M, and the reasons of overtime work have been followed up regularly. We have seen that monthly overtime hours have not exceeded ILO limits of 48 hours, since nearly 1 year's time.

Plan Complete: No

Plan Complete Date:

Hours of Work: Protected Workers (Women and Young Workers)

HOW.4 The factory shall comply with all applicable laws governing work hours regulating or limiting the nature, frequency and volume of work performed by women or workers under the age of 18. (S)

Noncompliance

Explanation: 1. Pregnant and breast-feeding workers are working more than 7.5 hours a day.

2. Apprentices are working as regular employees (45 hours a week).

3. Young workers are working more than 40 hours a week and staying for OT.

Legal References: Regulation About Pregnant and Breast-feeding Workers Article: 10
14.07.2004 Official Gazette No: 25522, Vocational and Technical Training Law 05.06.1986
Official Gazette No: 19139 Article: 11-12; Vocational and Technical Training Regulation
03.07.2002 Official Gazette No: 24804 Article: 26; Regulation About Working Conditions
of Young and Child Workers Article: 6 06.04.2004 Official Gazette No: 25425

Plan Of Action: H&M requires the factory to follow the labor law concerning the working conditions of pregnant and breast-feeding workers. We will further encourage the factory to systematically implement the H&M COC and labor law requirements and to communicate it to all relevant personnel in the factory, including the workers. We require the factory to follow the local laws regarding the protection of apprentices. We will encourage the factory to set up policy and procedures on how to meet legal requirements regarding apprentices, including working hours, annual leave conditions, personnel files, working contracts, health records, and suitable workstations, as well as proper and timely physical examinations. H&M requires the factory to follow the labor law concerning the working conditions of young workers. We will further encourage the factory to systematically implement the H&M COC and labor law requirements and to communicate it to all relevant personnel in the factory, including the young workers.

Deadline Date: 06/30/2014

Supplier CAP: We are usually in compliance with the labor law. Workers tend to use 1 day off instead of breastfeeding every day of the week. Lately, 1 worker wanted to go to breastfeed every day and she has been sent home by private vehicle everyday. Young workers work as the regular workers since they are the part of a production line. In our factory, apprentices receive nearly full minimum wage at the end of 3 months and when they stay for overtime, their overtime compensation is calculated over minimum wage, regardless of whatever their actual wages are. We have 12 apprentices and 4 SSK registered young workers and they will not be dismissed; we will try to withhold them from overtime as long as there is no position of constraint. From now on, factory will try not to hire young workers.

Supplier CAP Date: 06/30/2014

Action Taken: October 17, 2012 H&M audit: We could not check this issue as there were no breast feeding workers at the time of audit. Factory has not yet taken any action about apprentices' and young workers' working hours.

Plan Complete: No

Plan Complete Date:

Hours of Work: Annual Leave

HOW.14 Employers shall provide workers with paid annual leave as required under local laws, regulations and procedures. (S)

Noncompliance

Explanation: 1. There are 246 workers who were not able to use their paid annual leave from previous years (up to 60 days) due to high workload at the factory.

2. Apprentices are not allowed to use their annual leave they are entitled to as 1 month.

Legal References: Labor Law 4857 Article: 53-56, Annual Leave Regulation Official Gazette No: 25391, 03.03.2004; Vocational and Technical Training Law 05.06.1986 Official Gazette No: 19139 Article: 26

Plan Of Action: H&M requires that the workers' basic right of leave is respected and the factory should provide legal paid leave to workers respectively. Further, we encourage the factory to complete all related workers' annual leave and to have a sustainable system on annual leave. We require the factory to follow the local laws regarding the protection of apprentices. We will encourage the factory to set up policy and procedures on how to meet the legal requirements regarding apprentices, including working hours, annual leave conditions, personnel files, working contracts, health records, and suitable workstations, as well as proper and timely physical examinations.

Deadline Date: 12/31/2011

Supplier CAP: The management decided to dissolve the accumulated annual leave and the implementation of this decision started from August 2010 on. A lot of workers prefer to receive their annual leave compensation as money. An announcement will be made and those who want to get paid will have their consent taken for withdrawing from their annual leave right voluntarily. The use of annual leave will be started from the person who has the most accumulated days. Those who want to get their annual leave will be sent on the dates, as the Annual Leave Planning Committee decides, considering the workload of the factory. We will focus more on this issue in order to make all apprentices use their annual leave on time and according to the law.

Supplier CAP Date: 12/31/2013

Action Taken: According to our follow-up audit on October 17, 2012, some apprentices have used their annual leave. However, the system is not effective for all apprentices yet.

Plan Complete: No

Plan Complete Date:

Hours of Work: Annual Leave/Determination

HOW.15 Employers shall not impose any undue restrictions on workers' use of annual leave. The time at which annual leave is taken is determined by the employer in consultation with the worker, taking into account work requirements and the opportunities for rest and relaxation available to the worker. (S)

Noncompliance

Explanation: There is not an Annual Leave Committee within the facility for determining the annual leave periods and evaluating the annual leave requests of the employees.

Legal References: Labor Law 4857 Article: 60; Annual Leave Regulation Article: 15 Official Gazette No: 25391, 03.03.2004

Plan Of Action: H&M requires that the workers' basic right of leave is respected and the factory should provide legal paid leave to workers respectively. Further, we encourage the factory to arrange for an Annual Leave Committee to be settled.

Deadline Date: 06/30/2012

Supplier CAP: An Annual Leave Committee is formed and those people who will serve in this committee are determined. Recording of all paid annual leave has been completed. The committee has started to plan annual leaves. All accumulated leaves will be dissolved either by getting their days off or by getting paid as a compensation for the annual leave.



Supplier 06/30/2012
CAP Date:

Action October 17, 2012 H&M audit: We observed that annual leave is given in accordance with
Taken: law in the factory.

Plan No
Complete:

Plan
Complete
Date:
